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Objections to Renewals and Recommendations for Revocation

Statutory Authority

MCL 436.1501(2) and (3) provides three tools for local units of government to use concerning licenses issued by the Michigan Liquor Control Commission.

1. Objection to renewal of an on-premise license
2. Request for revocation of an on-premise license
3. Request for revocation of an off-premise license

Objection to Renewal

An objection to a renewal must be filed with the MLCC by the local legislative body not less than 30 days before the date of expiration of the license. While the statute appears to be silent on the rest of the process, the courts have clearly established that a licensee has a property interest in the license, and is therefore entitled to due process protection. [See *Bundo v City of Walled Lake*, 395 Mich 697 (1976)]

Further, administrative rule R 436.1061 provides that:

“Any permit issued to a licensee by the commission or any privilege granted to a licensee by the commission may be revoked or suspended by the commission or a hearing commissioner, **after due notice and proper hearing**, if the licensee or the establishment no longer qualifies for the permit or the privilege or if the licensee is found to be in violation of the act or a commission rule which directly pertains to the permit issued or the privilege granted.”

If an objection to renewal of a license is received, then the Commission will proceed to schedule and notice a hearing.

Request for Revocation of an On-Premise License

A local unit of government may request the revocation of a license or permit, after due notice and proper hearing at the local level. Upon receipt of this request, the Commission must revoke the license or permit. The statutory language is clear, using the words “shall revoke.” This provision applies to on-premise establishments.

If a request for revocation of an on-premise license or permit is received, then the Commission will proceed to schedule and notice a hearing. The Commission will review and consider the information presented from both sides.

For example, in January 2012, the Commission acted on such a request in the case of an on premises licensee. A request was received by the local unit of government to revoke the permit. After a show cause hearing as to whether the license and/or permit should be considered for revocation, the Commission determined that the license as well as the requested permit should be revoked. Under its own motion, administrative rule R 436.1925(1), the Commission revoked the license and well as the permit as requested by the local unit under MCL 436.1501(2).

Request for Revocation of an Off-premise License

For off-premise establishments, a local unit of government may request, by resolution, that the Commission revoke the license if the off-premise licensee has sold or furnished alcoholic liquor to a minor on at least three separate occasions in a consecutive three-month period. The Commission may suspend or revoke the license and any permits.

If a request for revocation of an on-premise license or permit is received, then the Commission will proceed to schedule and notice a hearing. The Commission will review and consider the information presented from both sides.

Documents from the Local Unit of Government

In making any of the requests authorized by law and discussed above, the local unit of government should, at a minimum, present documentation to the Commission concerning the proper notice to the licensee of the hearing held at the local level, any board resolutions pertaining to the request, and any other findings of fact, ordinance, or other relevant information for the Commission to consider in reviewing and considering the request made by the local unit of government.

Documents from the Licensee

The licensee is welcome to submit any information or documentation concerning the license and the request by the local unit of government.

Filing of Papers

Under administrative rule R 436.1927, all documents and papers pertaining to a hearing or appeal hearing shall be filed at the Lansing office of the Commission. The presiding Commissioner has the discretion as to whether or not to allow papers to be filed at a hearing or appeal hearing.